

## **FACT SHEET**

### **THE CHINESE CLEAN ENERGY PROGRAM**

China represents one of the world's largest markets for clean energy technologies with substantial untapped efficiency and renewable energy potential. The market in China for energy efficient goods and services alone could reach tens of billions of dollars over the next decade.

On March 29, 1999, Ex-Im Bank signed a Memorandum of Understanding (MOU) with the China Development Bank (CDB) (formerly the State Development Bank), the State Development Planning Commission and the U.S. Department of Energy (DOE). Under the MOU, Ex-Im Bank is prepared to provide financing to existing Chinese enterprises for their purchases of U.S. equipment and services to assist them in increasing the efficiency, productivity and cost effectiveness of environmentally sound energy production. Under the terms of the MOU, both DOE and Ex-Im Bank plan to encourage U.S. private industry to work with the relevant Chinese authorities to support the identification, assessment and implementation of appropriate projects that will showcase innovative U.S. energy technologies for cost-effective and environmentally sound energy production and savings.

This program is intended to accelerate the deployment of clean energy projects in a variety of areas, and will provide sales opportunities for U.S. exporters specializing in renewable energy, clean energy and energy efficiency technologies. U.S. goods and services for wind, solar, geothermal, clean coal and industrial cogeneration projects are eligible for inclusion under the program, as well as exports for energy efficiency building technologies and SO<sub>2</sub> reduction technologies.

CDB will be the borrower under the program. Applications for final commitments will be accepted only after approval of the transaction by the State Development Planning Commission. CDB can apply for either a direct loan or a guaranteed loan. The program will provide the most favorable terms allowed under OECD guidelines including maximum repayment terms, capitalization of interest during construction, and financing of eligible local costs up to 15% of the value of the eligible U.S. export contract. DOE will provide expert assistance in project identification and review.

By highlighting the commercial and technical viability of U.S. clean energy technologies and systems, the program will create a platform for greater cooperation with China, increase U.S. exports and lead to significant cooperation in the field of global climate change.

U.S. exporters interested in participating in the program should contact Ex-Im Bank Business Development Officer, Véronique M. Cavaillier, at (202)565-3916 for more information as implementation details are developed.